

**LYNCH  
DASKAL  
EMERY LLP**

264 WEST 40TH STREET  
NEW YORK, NEW YORK 10018  
TEL: 212-302-2400  
FAX: 212-302-2210

April 12, 2007

**BY FACSIMILE**

Kenneth M. Bialo, Esq.  
Emmet, Marvin & Martin, LLP  
120 Broadway, 32nd Floor  
New York, NY 10271

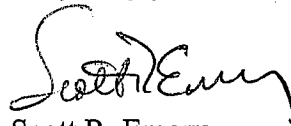
**Re: Palestine Monetary Authority v. David Strachman et al.  
Supreme Court of New York, County of New York  
Index No. 107777/05**

Dear Mr. Bialo:

I write to follow up on our discussion this afternoon. As I indicated on the telephone, Justice Kornreich, in her April 2, 2007 Order, reiterated that the State Restraining Notice on PMA funds issued to the Bank of New York is violative of UCC Article 4. To that end, the Court recognized that BNY is prohibited from restraining the PMA funds at issue and that the funds must be released. Please be advised that should BNY maintain the position that it is now bound by the *Knox* restraining notice (which purports to accomplish the same thing that the restraining notice in the instant case was intended to), the PMA will pursue all available legal remedies to ensure that the funds are released and to recompense the PMA for all damages suffered as a result of the improper restraint.

Please call me if you would like to discuss this matter further.

Very truly yours,

  
Scott R. Emery

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**Facsimile Cover Sheet**

Date: 4/12/07

Pages (incl. cover sheet): 2

Re: Palestine Monetary Authority v. David Strachman, et al.,  
New York Supreme Court, Index No.: 107777/05

**PLEASE DELIVER TO:**

<b>Name</b>	<b>Organization</b>	<b>Facsimile</b>	<b>Telephone</b>
Kenneth M. Bialo, Esq.	Emmet, Marvin & Martin, LLP	(212) 238-3100	(212) 238-3000

**FROM:**

Scott R. Emery

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To: Palestine Monetary Authority v. David Strachman, et al.